

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**THIRTY FIRST MONTHLY FEE STATEMENT OF FTI CONSULTING, INC. FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS FINANCIAL ADVISOR TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD FROM
NOVEMBER 1, 2021 THROUGH FEBRUARY 28, 2022**

Name of Applicant:

FTI Consulting, Inc.

Authorized to provide Professional Services
to:

Official Committee of Unsecured Creditors

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Date of Retention: December 19, 2018, *nunc pro tunc* to October 25, 2018

Period for which compensation and reimbursement is sought: November 1, 2021 through February 28, 2022

Monthly Fees Incurred: \$80,462.00

Monthly Expenses Incurred: \$0.00

Total Fees and Expenses: \$80,462.00

This is a: X monthly _____ interim _____ final application

This statement (the “**Fee Statement**”) of FTI Consulting, Inc. (together with its wholly owned subsidiaries and independent contractors, “**FTI**”) as financial advisor to the Official Committee of Unsecured Creditors of Sears Holdings Corporation, *et al.* (the “**Committee**”) is submitted in accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No.796] entered on November 16, 2018, (the “**Order**”). In support of this Fee Statement, FTI respectfully states as follows.

1. The fees and expenses for the period from November 1, 2021 through and including February 28, 2022 (the “**Thirty First Fee Period**”) amount to:

Professional Fees	\$80,462.00
Expenses	<u>0.00</u>
TOTAL	<u>\$80,462.00</u>

2. In accordance with the Order, if no timely and proper objection is made by a party-in-interest within fifteen (15) days after service of this Fee Statement, the Debtors are authorized to pay 80% of professional fees and 100% of out-of-pocket expenses. These amounts are presented below.

Professional Fees at 80%	\$64,369.60
Expenses at 100%	<u>0.00</u>
TOTAL	<u>\$64,369.60</u>

3. The professionals providing services, hourly billing rates, the aggregate hours worked by each professional, and the aggregate hourly fees for each professional during the Thirty First Fee Period are set forth on the schedule annexed hereto as **Exhibit “A.”**

4. A summary of aggregate hours worked and aggregate hourly fees for each task code during the Thirty First Fee Period is set forth on the schedule annexed hereto as **Exhibit “B.”**

5. Detailed time entry by task code during the Thirty First Fee Period is set forth on the schedule annexed hereto as **Exhibit “C.”**

6. A summary of expenses incurred during the Thirty First Fee Period is set forth on the schedule annexed hereto as **Exhibit “D.”**

7. Detailed breakdown of the expenses incurred during the Thirty First Fee Period is set forth on the schedule annexed hereto as **Exhibit “E.”**

8. FTI reserves the right to request, in subsequent fee statements and applications, any fees and reimbursement of any additional expenses incurred during the Thirty First Fee Period, as such fees and expenses may not have been captured to date in FTI’s billing system.

NOTICE AND OBJECTION PROCEDURES

9. Notice of this Fee Statement shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Mohsin Y. Meghji (email: mmeghji@miiipartners.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email: ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); and (iv) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D. Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com); (v) Paul E. Harner, fee examiner, 1675 Broadway, New York, NY 10019 (email: harnerp@ballardspahr.com); and (vi) counsel to the fee examiner, Ballard Spahr LLP, 1675 Broadway, New York, NY 10019, Attention: Vincent J. Marriott (email: marriott@ballardspahr.com) and Tobey M. Daluz (email: daluzt@ballardspahr.com) (collectively, the “Notice Parties”).

10. Objections to this Fee Statement, if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than April 12, 2022 (the “Objection Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”).

11. If no objections to this Fee Statement are filed and served as set forth above, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified herein.

12. If an objection to this Fee Statement is received on or before the Objection Deadline, the Debtors shall withhold payment of that portion of this Fee Statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. To the extent such an objection is not resolved, it shall be preserved and scheduled for consideration at the next interim fee application hearing to be heard by the Court.

Dated: New York, New York
March 28, 2022

FTI CONSULTING, INC.
Financial Advisors to the Official Committee of
Unsecured Creditors of Sears Holdings Corporation

By: /s/ Matthew Diaz
Matthew Diaz, Senior Managing Director
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EXHIBIT A

**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538
SUMMARY OF HOURS BY PROFESSIONAL
FOR THE PERIOD NOVEMBER 1, 2021 TO FEBRUARY 28, 2022**

Professional	Position	Specialty	Billing Rate¹	Total Hours	Total Fees
Star, Samuel	Sr Managing Dir	Restructuring	1,186	0.5	593.00
Diaz, Matthew	Sr Managing Dir	Restructuring	1,177	8.5	10,008.00
Eisler, Marshall	Managing Director	Restructuring	930	36.3	33,759.00
Shapiro, Jill	Sr Consultant	Restructuring	637	55.4	35,312.00
Lampert, Grace	Consultant	Restructuring	430	1.5	645.00
Hellmund-Mora, Marili	Associate	Restructuring	290	0.5	145.00
TOTAL				102.7	\$ 80,462.00

¹Rates increased effective January 1, 2022. The rates reflected herein represent the blended rate based on time incurred during the Application Period.

EXHIBIT B

**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538
SUMMARY OF HOURS BY TASK
FOR THE PERIOD NOVEMBER 1, 2021 TO FEBRUARY 28, 2022**

Task Code	Task Description	Total Hours	Total Fees
1	Current Operating Results & Events	0.8	\$ 953.00
3	Financing Matters (DIP, Exit, Other)	80.8	\$ 65,195.50
11	Prepare for and Attend Court Hearings	1.5	1,552.00
14	Analysis of Claims and Liabilities Subject to Compromise	1.7	986.00
17	Wind Down Monitoring	7.5	4,391.50
24	Preparation of Fee Application	10.4	7,384.00
TOTAL		102.7	\$80,462.00

EXHIBIT C

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

DETAIL OF TIME ENTRIES

FOR THE PERIOD NOVEMBER 1, 2021 TO FEBRUARY 28, 2022

Task Category	Date	Professional	Hours	Activity
1	11/24/2021	Star, Samuel	0.2	Review articles on property for assessment settlement and Calder sculpture sale proposals.
1	1/19/2022	Diaz, Matthew	0.6	Review latest status reports.
1 Total			0.8	
3	1/25/2022	Shapiro, Jill	2.6	Prepare litigation funding materials.
3	1/26/2022	Shapiro, Jill	1.6	Update litigation funding materials.
3	1/26/2022	Eisler, Marshall	1.9	Review litigation funding materials.
3	1/27/2022	Shapiro, Jill	2.3	Prepare litigation funding materials.
3	1/27/2022	Eisler, Marshall	1.8	Revise litigation funding materials.
3	1/28/2022	Shapiro, Jill	1.9	Prepare updated litigation funding materials.
3	1/28/2022	Eisler, Marshall	3.9	Review and correspond re: litigation funding materials.
3	1/29/2022	Shapiro, Jill	2.5	Prepare updated litigation funding materials.
3	1/29/2022	Eisler, Marshall	2.1	Review and comment on litigation funding materials.
3	1/30/2022	Shapiro, Jill	1.3	Update litigation funding materials.
3	1/31/2022	Diaz, Matthew	1.2	Review updated litigation funding materials.
3	1/31/2022	Shapiro, Jill	3.4	Prepare litigation funding materials.
3	1/31/2022	Shapiro, Jill	2.8	Update litigation funding materials.
3	1/31/2022	Shapiro, Jill	0.6	Participate on call with Akin re: litigation funding materials.
3	1/31/2022	Shapiro, Jill	1.8	Update litigation funding materials.
3	1/31/2022	Eisler, Marshall	3.1	Review and revise updated litigation funding materials.
3	2/1/2022	Diaz, Matthew	0.8	Review updated litigation funding materials.
3	2/1/2022	Shapiro, Jill	1.1	Prepare additional materials re: litigation funding.
3	2/1/2022	Shapiro, Jill	3.1	Revise litigation funding materials.
3	2/1/2022	Shapiro, Jill	3.2	Prepare materials in connection with designee call.
3	2/1/2022	Eisler, Marshall	2.7	Review and comment on updated litigation funding materials.
3	2/2/2022	Diaz, Matthew	1.1	Review updated litigation funding materials.
3	2/2/2022	Diaz, Matthew	0.6	Review materials in connection with call with designees.
3	2/2/2022	Shapiro, Jill	2.3	Prepare and update materials for designee call.
3	2/2/2022	Shapiro, Jill	0.7	Participate on call with Akin re: litigation funding materials.
3	2/2/2022	Eisler, Marshall	3.1	Review materials for designee call.
3	2/3/2022	Diaz, Matthew	0.5	Participate in call with the designees.
3	2/3/2022	Shapiro, Jill	0.5	Participate in call with the designees.
3	2/3/2022	Eisler, Marshall	1.6	Prepare for call with designees.
3	2/3/2022	Eisler, Marshall	0.5	Participate in call with the designees.
3	2/7/2022	Eisler, Marshall	1.9	Review litigation funding materials.
3	2/8/2022	Shapiro, Jill	2.4	Prepare updated litigation funding materials.
3	2/9/2022	Eisler, Marshall	3.5	Evaluate issues re: litigation funding.
3	2/9/2022	Shapiro, Jill	3.8	Prepare updated litigation funding materials.
3	2/10/2022	Eisler, Marshall	3.9	Provide follow up comments to litigation funding materials.
3	2/12/2022	Shapiro, Jill	1.1	Update litigation funding materials.
3	2/14/2022	Eisler, Marshall	1.9	Review litigation funding materials.
3	2/15/2022	Shapiro, Jill	1.3	Review and analyze litigation funding article.
3	2/15/2022	Eisler, Marshall	2.1	Review and comment on litigation funding article.
3	2/16/2022	Eisler, Marshall	2.3	Review litigation funding materials.
3 Total			80.8	
11	12/3/2021	Shapiro, Jill	0.4	Participate in hearing re: proposed settlement.
11	1/20/2022	Diaz, Matthew	1.0	Participate in Sears hearing re: case status and fee applications.
11	2/28/2022	Star, Samuel	0.1	Review hearing update from counsel re: forth distribution, preference actions and Transform.
11 Total			1.5	

EXHIBIT C

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

DETAIL OF TIME ENTRIES

FOR THE PERIOD NOVEMBER 1, 2021 TO FEBRUARY 28, 2022

Task Category	Date	Professional	Hours	Activity
14	11/6/2021	Shapiro, Jill	1.7	Review and prepare analysis re: landlord claim.
14 Total			1.7	
17	12/7/2021	Shapiro, Jill	3.2	Prepare analysis of top administrative claim holders.
17	12/8/2021	Lampert, Grace	1.5	Prepare analysis of top administrative claim holders.
17	12/8/2021	Shapiro, Jill	0.7	Review and update analysis of top administrative claim holders.
17	1/10/2022	Star, Samuel	0.2	Review case status.
17	1/31/2022	Shapiro, Jill	0.2	Participate on call with M-III re: cash flow forecast.
17	1/31/2022	Shapiro, Jill	0.2	Prepare update re: call with M-III.
17	2/9/2022	Shapiro, Jill	0.8	Review proposed distribution.
17	2/10/2022	Shapiro, Jill	0.7	Participate on call with M-III re: status report.
17 Total			7.5	
24	11/22/2021	Shapiro, Jill	0.8	Prepare September fee statement.
24	11/23/2021	Diaz, Matthew	0.5	Review the September fee statement.
24	11/23/2021	Shapiro, Jill	0.2	Prepare September fee statement.
24	11/24/2021	Shapiro, Jill	0.3	Prepare September Fee Statement to meet fee examiner guidelines.
24	11/29/2021	Hellmund-Mora, Marili	0.5	Update and finalize the September fee statement.
24	11/29/2021	Shapiro, Jill	1.9	Prepare October fee statement.
24	11/30/2021	Diaz, Matthew	0.7	Review the October fee statement.
24	12/1/2021	Diaz, Matthew	0.5	Review the October fee statement.
24	12/1/2021	Shapiro, Jill	0.4	Update October fee statement.
24	12/3/2021	Shapiro, Jill	0.3	Prepare October fee statement to meet fee examiner guidelines.
24	12/9/2021	Shapiro, Jill	1.2	Prepare ninth interim fee application.
24	12/12/2021	Shapiro, Jill	1.1	Update ninth interim fee application.
24	12/13/2021	Diaz, Matthew	0.7	Review the ninth interim fee application.
24	12/14/2021	Shapiro, Jill	0.8	Finalize ninth interim fee application.
24	1/4/2022	Diaz, Matthew	0.3	Review the Orient objection.
24	1/10/2022	Shapiro, Jill	0.2	Review draft interim fee application order.
24 Total			10.4	
Grand Total			102.7	

EXHIBIT D

**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538
SUMMARY OF EXPENSES
FOR THE PERIOD NOVEMBER 1, 2021 TO FEBRUARY 28, 2022**

Expense Type	Amount
Not Applicable in this month.	

EXHIBIT E

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

EXPENSE DETAIL

FOR THE PERIOD NOVEMBER 1, 2021 TO FEBRUARY 28, 2022

Date	Professional	Expense Type	Expense Detail	Amount
Not Applicable in this month.				